

**Tenth National Green Power Marketing Conference**

# **Green Power Product Design**

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# Green Power Product Design

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## ■ Marketing

- Product
- Price
- Place
- Promotion

## ■ Product Design

- Basic Design / types of products
- Sourcing / Business Models
- The Future



# Stage 1 – Basic Design

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- Capacity product ↓
  - Not around much at all anymore
- Contribution programs ↓
  - Less common, represent 13% of programs today \*
- Energy products
  - $\frac{2}{3}$ : Block Product (typically a 100 kWh block) \*
  - $\frac{1}{3}$ : Usage Product (typically 25%, 50%, 100% of monthly usage) \*

\* “Trends in Utility Green Pricing Programs”, Bird/Brown, NREL, 2004.



# Stage 2 – Product Sourcing

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- **Renewable Energy** (supplied as bundled power)
  - Utility programs: 1132 million kWhrs in 2004
  - Competitive markets: 2650 million kWhrs in 2004
- **Renewable Energy Certificates** ↑ (green tags)
  - Utility programs: 707 million kWhrs in 2004
  - Competitive markets: 1720 million kWhrs in 2004
- **Sourcing**
  - Business models
  - Outsourcing

\* All data on this slide: “Trends in Utility Green Pricing Programs”, Bird/Brown, NREL, 2004 and “Green Power Marketing in the United States: A Status Report (Eighth Edition)”, Bird/Swezey, NREL, 2004.



# Stage 3 – Product Customization

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- Enhanced Hedge Value
  - Austin Energy
  - others trying to follow their lead
- Discounted Price for Large Purchasers
  - PacifiCorp, We Energies
- Customized Products for Customer Needs
  - Sterling Planet, others
- POP Tags
  - Bonneville Environmental Foundation, [SkiGreen.org](http://SkiGreen.org)



# Stage 4 – Advanced Products

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- Expanded Use of RECs
  - Nationally Sourced
  - “REC Futures”
- Exploiting the Price Stability of RE
  - Long-term, fixed-priced products
  - Contract For Differences (CFD)
- Emissions Markets
- Green Power Products of the Future
  - You tell us: Who will develop the next “breakthrough” renewable energy product design ?



# Speakers

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- Dan Kalafatas, 3 Phases Energy Services
- Rhonda Rasmussen, PacifiCorp
- Mel Jones, Sterling Planet
- Craig Hanson, World Resources Institute
- Q&A

